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FISCAL IMPACT STATEMENT

LS 6869

BILL NUMBER: SB 157

NOTE PREPARED: Apr 28, 2007

BILL AMENDED: Apr 27, 2007

SUBJECT: Library Boards.

FIRST AUTHOR: Sen. Gard

FIRST SPONSOR: Rep. Austin

BILL STATUS: Enrolled

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
☐ **FEDERAL**

IMPACT: State & Local

Summary of Legislation: This bill has the following provisions:

Library Board Disbursement of Funds- The bill authorizes a library board to adopt a resolution allowing money to be disbursed to advertise and promote the programs and services of the library. The bill provides that with the prior written approval of the library board, claim payments for these expenses may be made in advance of the library board's allowance.

Contractual Library Duties and Responsibilities- The bill provides that the board of a county contractual library has all the powers and duties of a Class 1 public library board.

Library Oversight Responsibilities- The bill eliminates oversight responsibilities over the Indiana Cooperative Library Services Authority by the Indiana State Library (ISL) and the Indiana Library and Historical Board (the Board).

Effective Date: July 1, 2007.

Explanation of State Expenditures: *Library Oversight Responsibilities-* Under the bill, the ISL and the Board would no longer have oversight responsibilities for the Cooperative Library Services Authority (CLSA). Responsibilities that would be repealed under the bill include the distribution of appropriations made by the General Assembly for distribution to CLSA. (The ISL currently distributes the funds to the CLSA.)

Background: The General Assembly appropriated approximately \$2 M from the state General Fund for

CLSA in FY 2007. CLSA also received revenue from several other state and local sources including: Build Indiana Fund, grants, membership fees, and service access fees. Total revenues expected to be received by the CLSA in FY 2007 amount to \$7 M.

Explanation of State Revenues:

Explanation of Local Expenditures: *Library Board Disbursement of Funds-* Class 1 public libraries, via a board resolution, would be allowed to make expenditures to advertise and promote library programs and services. Additional expenditures for these new purposes would be subject to local library board actions.

Contractual Library Duties and Responsibilities- The impact on local expenditures, as a result of this provision, would depend on local action with respect to the amount of bonds issued and leases entered into by the contractual library specified within the bill. This provision would affect four libraries in the state.

Background- There are about 238 public libraries with taxing authority. The following table lists the four county contractual libraries affected and their 2006 budget information.

Table A. County Contractual Library Budget/Levy

Library Name	CY 2006 Certified Budget*	CY 2006 PTRC	CY 2006 Levy	CY 2006 Tax Rate
Clinton County Contractual	\$645,264	\$16,956	\$454,573	0.0722
Decatur County Contractual	\$298,095	\$6,878	\$180,200	0.0249
Dubois County Contractual	\$288,300 General Fund \$250,000 LIRF	\$0	\$159,500	0.0204
Wayne County Contractual	\$151,567	\$3,617	\$99,800	0.0252
*Library General Fund, unless otherwise indicated.				

County contractual libraries allow municipal library services to be extended to areas in the county outside the corporation boundaries of the municipality. Generally, this provides the ability to provide service outside the corporate boundary at a lower tax rate than in the municipality the library serves. Generally, libraries that are able to issue bonds, do so for construction purposes.

Explanation of Local Revenues:

State Agencies Affected: Indiana State Library; Indiana Library and Historical Board.

Local Agencies Affected: Class 1 public libraries; Clinton County Contractual Public Library, Decatur County Contractual Public Library, Dubois County Contractual Public Library.

Information Sources: Jacob Speer, Faye Terry, Indiana State Library, 232-1938; LOGODABA.

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